

115TH CONGRESS
1ST SESSION

S. 1597

To amend the Internal Revenue Code of 1986 to permit the Secretary of the Treasury and the Commissioner of the Social Security Administration to disclose certain return information related to identity theft, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 20, 2017

Mr. JOHNSON introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to permit the Secretary of the Treasury and the Commissioner of the Social Security Administration to disclose certain return information related to identity theft, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Social Security Iden-
5 tity Defense Act of 2017”.

1 **SEC. 2. DISCLOSURE OF CERTAIN RETURN INFORMATION**
 2 **WITH RESPECT TO IDENTITY THEFT.**

3 (a) IN GENERAL.—Subsection (l) of section 6103 of
 4 the Internal Revenue Code of 1986 is amended by adding
 5 at the end the following new paragraph:

6 “(23) DISCLOSURE OF RETURN INFORMATION
 7 IN CERTAIN CASES OF IDENTITY THEFT.—If the
 8 Secretary has reason to believe that there has been
 9 a fraudulent use of a social security account number
 10 on a statement described in section 6051, the Sec-
 11 retary shall disclose to the individual who was validly
 12 assigned such social security account number—

13 “(A) that the Secretary has reason to be-
 14 lieve that the social security account number as-
 15 signed to such individual has been fraudulently
 16 used in the employment context, and

17 “(B) such other information (other than
 18 return information) as the Secretary deter-
 19 mines, in consultation with the Federal Trade
 20 Commission, would be helpful and appropriate
 21 to provide to a victim of identity theft.”.

22 (b) PREVENTION OF IDENTITY THEFT.—In the case
 23 of an employee for whom the Commissioner of Social Se-
 24 curity has reason to believe that the social security number
 25 included on any statement described in section 6051(a)
 26 of the Internal Revenue Code of 1986 with respect to such

1 employee is not the correct social security number for such
 2 employee, the Commissioner shall provide notification to
 3 the employer of such employee which includes—

4 (1) the name of the employee and the social se-
 5 curity number included on such statements; and

6 (2) relevant information regarding the avail-
 7 ability of the Social Security Number Verification
 8 Service for verification of social security numbers.

9 **SEC. 3. PENALTIES FOR TAX-RELATED IDENTITY THEFT.**

10 (a) IN GENERAL.—Section 1028A(c) of title 18,
 11 United States Code, is amended—

12 (1) by redesignating paragraphs (8) through
 13 (11) as paragraphs (10) through (13), respectively;
 14 and

15 (2) by inserting after paragraph (7) the fol-
 16 lowing new paragraphs:

17 “(8) section 286 (relating to conspiracy to de-
 18 fraud the government with respect to claims), sec-
 19 tion 287 (relating to false, fictitious, or fraudulent
 20 claims), section 371 (relating to conspiracy to com-
 21 mit an offense or to defraud the United States), sec-
 22 tion 1001 (relating to statements or entries), section
 23 1341 (relating to frauds and swindles), section 1342
 24 (relating to a fictitious name or address), section
 25 1343 (relating to fraud by wire, radio, or television),

1 or section 1344 (relating to bank fraud), if the fel-
 2 ony violation is a tax-related offense punishable
 3 under such section;

4 “(9) section 7206 of the Internal Revenue Code
 5 of 1986 (relating to fraud and false statements);”.

6 (b) PENALTY FOR MISAPPROPRIATION OF TAXPAYER
 7 IDENTIFICATION NUMBERS.—

8 (1) IN GENERAL.—Part I of subchapter B of
 9 chapter 68 of the Internal Revenue Code of 1986 is
 10 amended by adding at the end the following new sec-
 11 tion:

12 **“SEC. 6720D. MISAPPROPRIATION OF TAXPAYER IDENTI-
 13 FICATION NUMBER.**

14 “In addition to any penalty provided by law, any per-
 15 son who knowingly or willfully misappropriates another
 16 person’s taxpayer identification number in connection with
 17 any list, return, account, statement, or other document
 18 submitted to the Secretary shall pay a penalty of \$5,000.”.

19 (2) CONFORMING AMENDMENT.—The table of
 20 sections for part I of subchapter B of chapter 68 of
 21 such Code is amended by adding at the end the fol-
 22 lowing new item:

“Sec. 6720D. Misappropriation of taxpayer identification number.”.

23 (3) EFFECTIVE DATE.—The amendments made
 24 by this subsection shall apply to returns and infor-

1 mation submitted after the date of the enactment of
2 this Act.

